

CALIFORNIA DEPARTMENT OF INSURANCE  
LEGAL DIVISION

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Insurance Commissioner

**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA  
SACRAMENTO**

In the Matter of the Licenses and Licensing  
Rights of:

File Nos. LA 15489-A and LA 15516-A

ORANGE COAST TITLE COMPANY;

STIPULATION AND WAIVER

ORANGE COAST TITLE COMPANY OF  
RIVERSIDE, now conducting business as,  
ORANGE COAST TITLE COMPANY OF  
THE INLAND EMPIRE;

ORANGE COAST TITLE COMPANY OF  
LOS ANGELES; and,

CALIFORNIA TITLE COMPANY;

Respondents.

Respondents, ORANGE COAST TITLE COMPANY; ORANGE COAST TITLE  
COMPANY OF RIVERSIDE, now conducting business as ORANGE COAST TITLE  
COMPANY OF THE INLAND EMPIRE; ORANGE COAST TITLE COMPANY OF LOS  
ANGELES; and, CALIFORNIA TITLE COMPANY, and the California Department of Insurance  
("Department"), stipulate as set forth herein:

1           1.       ORANGE COAST TITLE COMPANY (OCTC) is licensed by the Insurance  
2 Commissioner to act as an underwritten title company in the State of California; and,

3           2.       ORANGE COAST TITLE COMPANY OF RIVERSIDE, now conducting  
4 business as ORANGE COAST TITLE COMPANY OF THE INLAND EMPIRE (OCTCIE) is  
5 licensed by the Insurance Commissioner to act as an underwritten title company in the State of  
6 California; and,  
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8           3.       ORANGE COAST TITLE COMPANY OF LOS ANGELES (OCTCLA) is  
9 licensed by the Insurance Commissioner to act as an underwritten title company in the State of  
10 California; and,  
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12          4.       CALIFORNIA TITLE COMPANY (CTC) is licensed by the Insurance  
13 Commissioner to act as an underwritten title company in the State of California; and,

14          5.       In October 2000, the Department began examining the operations and practices of  
15 OCTC, OCTCIE, OCTCLA, and CTC, pursuant to California Insurance Code §§790.04 and  
16 12407, after receiving numerous written and telephonic complaints alleging illegal rebating  
17 activities by OCTC, OCTCIE, OCTCLA, and CTC. The investigation included an examination  
18 of the books and records of OCTC, OCTCIE, OCTCLA, and CTC, and interviews with  
19 employees of OCTC, OCTCIE, OCTCLA, and CTC; and,  
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21          6.       On or about February 2, 2006, the Department caused to be served upon OCTC,  
22 OCTCIE, OCTCLA, and CTC an Accusation, Notice of Noncompliance, Demand for Monetary  
23 Penalty, and Right to Issue Order to Show Cause, denominated "In the Matter of the Licenses and  
24 Licensing Rights of: ORANGE COAST TITLE COMPANY, ORANGE COAST TITLE  
25 COMPANY OF RIVERSIDE, now conducting business as ORANGE COAST TITLE  
26 COMPANY OF THE INLAND EMPIRE, ORANGE COAST TITLE COMPANY OF LOS  
27 ANGELES, and CALIFORNIA TITLE COMPANY, Respondents," File Nos. LA 15489-A and  
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1 LA 15516-A, incorporated herein by reference. Said Accusation alleged that between May 1999  
2 and October 2000, OCTC, OCTCIE, OCTCLA, and CTC made false entries in any book, report  
3 or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to  
4 examine into its condition or into any of its affairs which constituted an unfair method of  
5 competition and/or unfair or deceptive acts or practices, in violation of California Insurance Code  
6 §790.03(e); made payments in the form of commissions, compensation, and/or other  
7 consideration to any person as an inducement for the placement or referral of title business in  
8 violation of California Insurance Code sections 790.06(a), 12404(a), 12404(c)(2) and 12404(e);  
9 provided assistance with the business expenses of any person, in violation of California Insurance  
10 Code section 12404(c)(1); furnished or offered to furnish all or part of the time or productive  
11 effort of any employee of the underwritten title company for services unrelated to the title  
12 business in violation of California Insurance Code section 12404(c)(6); rebated portions of the fee  
13 or charge for a title policy in violation of California Insurance Code section 12405; paid or  
14 furnished the advertising or promotional material of a customer in connection with the sale or  
15 encumbrance of real property in violation of California Insurance Code section 12405.7; paid or  
16 offered to pay, either directly or indirectly, any part of the employee compensation to persons or  
17 entities as an inducement for, or as compensation for, any title business in violation of California  
18 Insurance Code section 12408.5; provided kickbacks for the referral of title business in violation  
19 of the requirements and standards of Article 6, Chapter 1, Part 6, Division 2 (commencing with  
20 §12404) of the Insurance Code, RESPA, 12 U.S.C. Section 2607(a), and C.F.R. Section  
21 3500.14(g)(4); and,  
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25 7. OCTC, OCTCIE, OCTCLA, and CTC and the Department have undertaken  
26 discussions to resolve the issues in this proceeding and now wish to resolve those issues without  
27 the need for a hearing or further administrative action; therefore OCTC, OCTCIE, OCTCLA, and  
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1 CTC waive any and all rights to a hearing in this matter, and any and all other rights related to  
2 this proceeding which may be accorded pursuant to Chapter 5, Part 1, Division 3, Title 2  
3 (commencing with §11500) of the California Government Code, and by the California Insurance  
4 Code; and,

5  
6 8. OCTC, OCTCIE, OCTCLA, and CTC agree to and shall Cease and Desist from  
7 activities which may be in violation of, or noncompliant with, California Insurance Code  
8 §§790.03(e), 790.06(a), and Article 6, Chapter 1, Part 6, Division 2 (commencing with §12404)  
9 of the Insurance Code upon written Order of the Insurance Commissioner to be made and filed  
10 herein and without further notice to OCTC, OCTCIE, OCTCLA, and CTC; and,

11 9. OCTC, OCTCIE, OCTCLA, and CTC agree to and shall comply with the  
12 provisions of California Insurance Code §12404 prohibiting illegal rebate/inducement activities  
13 upon written Order of the Insurance Commissioner to be made and filed herein and without  
14 further notice to OCTC, OCTCIE, OCTCLA, and CTC; and,

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16 10. OCTC, OCTCIE, OCTCLA, and CTC agree to and shall pay, within ten (10) days  
17 after receiving an invoice from the California Department of Insurance, Division of Accounting,  
18 the amount of six hundred twenty six thousand three hundred thirty five dollars and seventy-five  
19 cents (\$626,335.75) to the California Department of Insurance as a monetary penalty pursuant to  
20 California Insurance Code §§12409 and 12976 upon written Order of the Insurance  
21 Commissioner to be made and filed herein and without further notice to OCTC, OCTCIE,  
22 OCTCLA, and CTC; and,

23  
24 11. OCTC, OCTCIE, OCTCLA, and CTC agree to and shall pay, within ten (10) days  
25 after receiving an invoice from the California Department of Insurance, Division of Accounting,  
26 the amount of one hundred seventy three thousand six hundred sixty four dollars and twenty-five  
27 cents (\$173, 664.25) to the California Department of Insurance for reimbursement of costs  
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1 pursuant to California Insurance Code §12389 upon written Order of the Insurance Commissioner  
2 to be made and filed herein and without further notice to OCTC, OCTCIE, OCTCLA, and CTC;  
3 and,

4 12. This Stipulation and Waiver resolves fully the matters alleged or arising out of, the  
5 allegations in File Nos. LA 15489-A and LA 15516-A; and,

7 13. This Stipulation and Waiver does not settle, waive, release, limit, or prohibit civil,  
8 administrative, or criminal investigations and enforcement actions against OCTC, OCTCIE,  
9 OCTCLA, and CTC, involving matters alleged or arising out of the allegations in File Nos. LA  
10 15489-A and LA 15516-A, that may be commenced by any state or federal agency other than the  
11 California Department of Insurance; and,

12 14. Neither this Stipulation and Waiver nor the Order approving this Stipulation and  
13 Waiver are in any way intended to limit or waive the Commissioner's authority to bring further  
14 disciplinary action against OCTC, OCTCIE, OCTCLA, and CTC for violations not covered by  
15 the Accusation or this Stipulation and Waiver, whether such violations occurred prior or  
16 subsequent to the date of this Stipulation and Waiver; and,

18 15. Nothing contained in this Stipulation and Waiver or the Order approving this  
19 Stipulation and Waiver shall prevent the Department from taking action at any time to enforce  
20 this Stipulation and Waiver or the Order approving this Stipulation and Waiver if the Department  
21 believes that OCTC, OCTCIE, OCTCLA, and CTC are not in compliance with the terms and  
22 conditions of the Stipulation and Waiver and/or the Order approving this Stipulation and Waiver;  
23 and,

25 16. The Insurance Commissioner retains jurisdiction to ensure that OCTC, OCTCIE,  
26 OCTCLA, and CTC comply with the provisions and terms of this Stipulation and Waiver and/or  
27 Order approving this Stipulation and Waiver; and,  
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1           17.     OCTC, OCTCIE, OCTCLA, and CTC represent and warrant that the persons  
2     executing this Stipulation and Waiver on behalf of OCTC, OCTCIE, OCTCLA, and CTC are  
3     authorized to enter into and execute this Stipulation and Waiver; and,

4           18.     Pursuant to California Insurance Code §12921(b)(1), this Stipulation and Waiver is  
5     not final unless and until approved by the Insurance Commissioner as evidenced by an Order of  
6     the Commissioner expressly adopting this Stipulation and Waiver.  
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8     Dated: July   , 2006

ORANGE COAST TITLE COMPANY

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10           Signed: \_\_\_\_\_/s/\_\_\_\_\_

11           Name: \_\_\_\_\_

12           Title: \_\_\_\_\_

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14     Dated: July   , 2006

ORANGE COAST TITLE COMPANY OF  
15     RIVERSIDE, now conducting business as ORANGE  
16     COAST TITLE COMPANY OF THE INLAND  
17     EMPIRE

18           Signed: \_\_\_\_\_/s/\_\_\_\_\_

19           Name: \_\_\_\_\_

20           Title: \_\_\_\_\_

21  
22     Dated: July   , 2006

ORANGE COAST TITLE COMPANY OF LOS  
23     ANGELES

24           Signed: \_\_\_\_\_/s/\_\_\_\_\_

25           Name: \_\_\_\_\_

26           Title: \_\_\_\_\_  
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Dated: July , 2006

CALIFORNIA TITLE COMPANY

Signed: \_\_\_\_\_/s/\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: July , 2006

MILLER, STARR & REGALIA

By: \_\_\_\_\_/s/\_\_\_\_\_  
Richard G. Carlston

Attorney for Respondents

ORANGE COAST TITLE COMPANY;

ORANGE COAST TITLE COMPANY OF  
RIVERSIDE, now conducting business as,  
ORANGE COAST TITLE COMPANY OF  
THE INLAND EMPIRE;

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LOS ANGELES; and,

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